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JUSTICE AND THE WEALTH OF NATIONS

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Some countries are affluent and others desperately poor, and those of us concerned about global justice are much exercised by that fact. But the discussions have largely taken place without consideration of the relevant economic history. In fact, they have largely ignored the single most important analytic lens through which historians and economists view the issue. This is the *Great Divergence*—the historical process whereby a remarkable gulf between the fortunes of certain Western countries and the rest of the world opened up around 1800, after a long period of something much closer to parity. And yet the Great Divergence is crucial to making sense of the present-day differences. For, as I argue below, the historical process of the Divergence strongly suggests that the roots of current disparities actually lie in the distant past, or in factors that began manifesting themselves then, and the most plausible explanations of that divergent history don't themselves involve injustice. In a nutshell, the rich got rich through economic growth, and the poor didn't *become* poor at all, but rather *remained* poor because of an absence of growth. And because the onset of that growth was never likely to be simultaneous, vast disparities were in fact virtually inevitable. There was never any realistic chance that all countries would embark on exponential economic growth at precisely the same time. Vast disparities of some duration were thus completely predictable and nearly impossible to prevent.

The dialectical significance of these facts is then that there is a morally innocuous, sufficient explanation for global disparities, which casts doubt on the importance of the alleged injustices decried by critics of the rich countries. That is, given the existence of the Great Divergence, it is less plausible that rich countries are fundamentally to blame for the poverty of the poor as a result of their present-day or recent policies or actions. I conclude by arguing against the suggestion that, even if the global disparities are due to the growth/non-growth pattern of the Great Divergence, the *mere existence* of feasible alternatives to present-day institutional arrangements that would result in much less poverty shows the rich are guilty of an injustice. This claim is, as I show, dubious on normative grounds.

1.

It is widely believed that the massive gap between poor and rich represents an injustice. This is obvious from popular social movements like the World Trade Organization protests, and also from best-selling popular writers like Naomi Klein. Among philosophers, this view emerges in writers like Richard Miller and Thomas Pogge, who think that rich countries like the United States and the global order they "impose" are to blame for the plight of the poor.[1] Miller speaks of "vast and morally unjustified harms" to the poor emanating from the United States, and Pogge writes that "features of the present global order [imposed by the rich countries] cause massive severe poverty."[2] The grounds of these criticisms are extremely heterogenous and include allegations of economic, political, and military injustices all over the world. It is hard to encapsulate the charges, but to give some of the flavor, Miller writes that "structural adjustment [imposed as a condition of IMF loans] is an exercise of the domineering influence of the United States by multinational means," and points to "the vast gains to the United States from the structural adjustment process" on the backs of the poor. He goes on to reference UN reports suggesting that billions hang on trade negotiations in which the United States is said to be "bullying" the poor in order to protect agricultural and other subsidies that harm desperately poor overseas farmers by making their goods uncompetitive, even as workers in Western-owned factories toil under exploitative conditions.[3] Pogge cites medical patent regimes that benefit corporate tillers but not the poor, and claims that these and other transnational agreements amount to an "institutional order that foreseeably produces a reasonably avoidable excess of severe poverty and of mortality from poverty-related causes," which thereby "manifests a human-rights violation."[4] Miller, Pogge, and others on the left conclude that radical compensatory action is required to address these injustices that they say are responsible for the poverty of the poor.

There can be no doubt that the grinding poverty to which these writers are responding is horrific. The vast number of people living at or disastrously below subsistence levels is an enormous tragedy. But it is a distinct and important question whether this tragedy involves an *injustice*, and to approach that question, it is important to take note of the history of how this state of affairs emerged.

2.

Consider Figure 1, which plots per capita GDP (1990 PPP $) against time for the United States, China, and Africa (top to bottom on the right).[5]

Beginning at the birth of Christ is, of course, arbitrary. The horizontal axis could in fact be extended leftward at the same or a lower level back to the dawn of the species, 200,000 years ago. Taking per capita GDP as a rough proxy for material prosperity, all available evidence suggests that until around 1800, the first

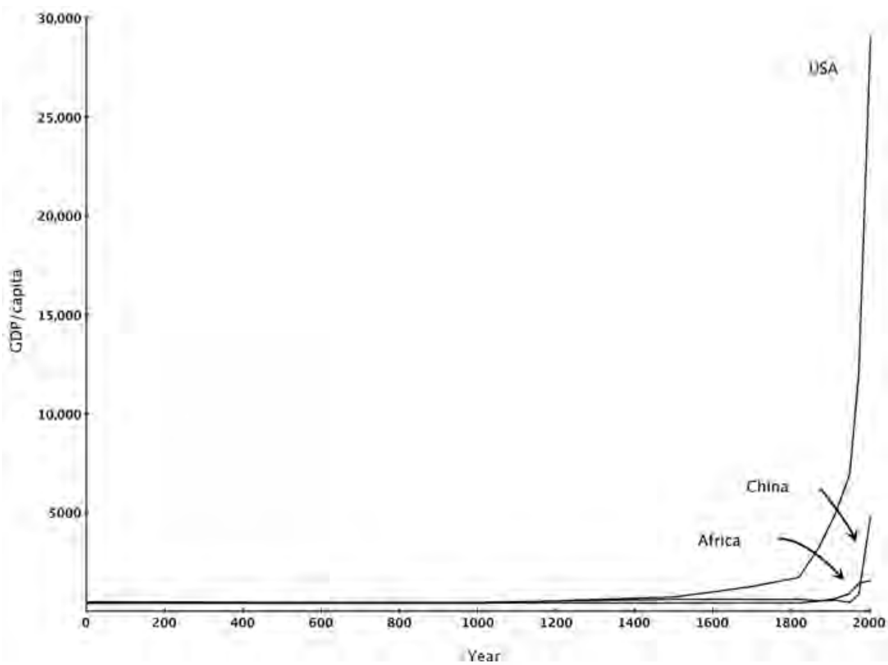

Figure 1.

200,000 years of human history produced little or no improvement in material conditions for average people. (Kings and queens lived under conditions that were better than average, but ones that we would nevertheless view as unbearable by contemporary standards.) Figure 1 thus suggests that for most of history, hardly anyone had much of anything, and that that situation has dramatically changed only within the last *one thousandth part* or so of human history.

Of course, this wouldn't mean very much if per capita GDP were merely some empty statistic. But qualitative evidence about caloric intake, stature, and life expectancy supports taking it as a rough proxy—at least at the helicopter level we are occupying here—for features of well-being that we care about. To underscore this, Table 1 shows some data for life expectancy.[6]

None of this is to say that poor countries can't, through wise stewardship, bring about some of these goods as well, even if in practice they rarely do. Amartya Sen has made the example of Kerala in India famous, though even here, none of the technologies that are crucial to advancement would be possible without large-scale industrialization and immense national wealth *somewhere*. Kerala's hospitals, power stations, and mobile phone networks are chock-full of materials, machines, and practices (like X-ray machines, drugs, and surgical techniques) that required expensive research and a massive industrial infrastructure somewhere

Table 1.

Group	Life Expectancy at Birth (at 20)
Modern foragers	30s (40s)
Italian magistrates, AD 223 AD	25 (33)
England 1550–1599	38
Pre-industrial England 1750–1799	20 (34)
USA 1850	38
USA 1900	48
USA 1950	68
USA modern	77

in the world. Kerala-type examples of pursuing human goods without economic growth are thus often illusory insofar as they just push the connection one step back. (Though this doesn't mean they can't function as examples of how the *difference* between two states promoting welfare or the reverse might be related to things besides growth, such as emphasis on education or political participation.)

Turn next to the differential outcomes evident in Figure 1. A glance reveals what has come to be known as the Great Divergence between the fortunes of rich countries like those of Western Europe and the United States, and poorer countries like China and those in Africa. There are several interesting features of the Great Divergence. One is its staggering magnitude, which now measures around 400 to 1 between the richest and poorest counties, figured as the ratio between the respective incomes per capita. However, as Figure 1 makes immediately clear, this is a sea change from just a few centuries ago, when that ratio was more like 5 to 1, and for countries like China or India more like 2 to 1.[7] In fact, Song dynasty China (960–1279) was far *ahead* of Europe and wealthier by any measure, though still poor by contemporary standards. Song dynasty China is special in that respect, but of course it follows from the general poverty of the past that the ratio of richest to poorest was close to 1 in the past.

Since this will play an important role in my argument, let's take a closer look at this divergence, again in GDP/capita terms, as it affected a broader range of countries over the relevant time span.[8]

What Figure 2 renders vivid is that the rich countries got rich by pulling away from the poor, who were originally on par (though by 1820, a slight gap had already emerged). The poor countries, in turn, became "poor" simply by virtue of holding steady, or, more often, merely by failing to grow as fast. Similarly, the less rich became less rich by failing to grow as quickly. Note the difference, for example, between the United States and the UK, which was first to begin growing but has settled into a slower long-term growth rate, as have many other European countries. Figure 2 also displays a more positive phenomenon, the lately commenced Great *Con*vergence, most spectacularly in the case of postwar Japan. There is reason for guarded optimism that at least a significant portion of

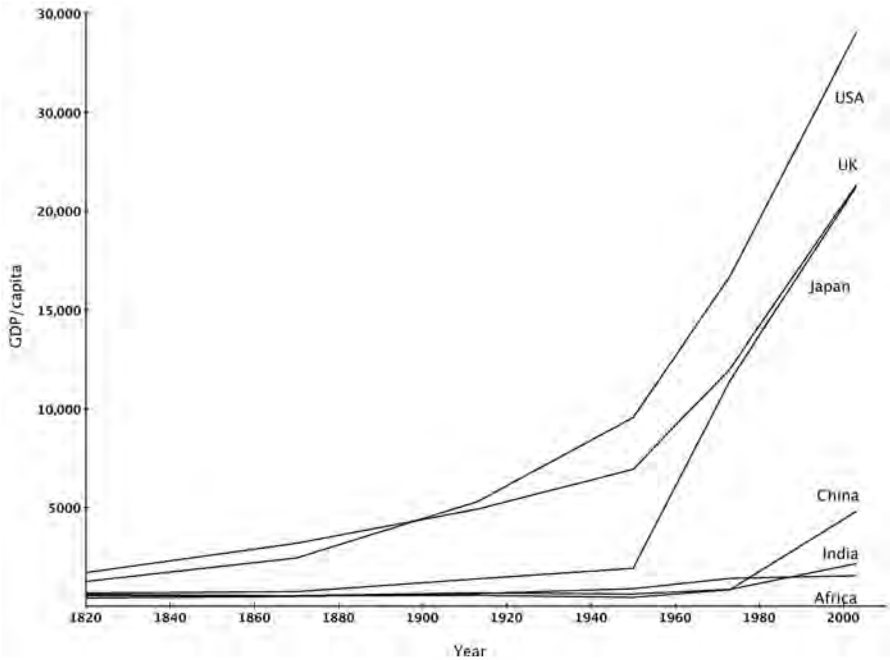

Figure 2.

the gap will be closed within a few decades or centuries. (This would be clearer with more recent data included, or in log-scale.)

To sum up: the last few centuries of economic growth represent an astonishing and amazingly rapid shift. The rise in quality of life (including for the within-country poor, incidentally) has been literally exponential. Unfortunately, not all countries have grown simultaneously in the same one thousandth part of human history, and thus some remain mired in poverty, but poverty in this context simply means growing less quickly than others. Differences in growth rates opened up a large divergence, which is partly closing again, however.

The question now is how to make sense of the global distribution of wealth in light of these facts.

3.

As I interpret it, the important question here concerning global distributive justice comes down to whether it is true that,

(a) the rich countries have caused or significantly contributed to the poverty of the (across-country) poor, and that

(b) they have violated some moral constraint in doing so.

Both of these are important: I may be responsible for your poverty in some thinly causal sense in virtue of beating you in a race or getting a job for which you were the other candidate, but that doesn't make me guilty of an injustice, since there wasn't anything wrong with those acts in the first place. And, of course, although violating a constraint is always wrong, if doing so doesn't cause you to suffer poverty (or other significant harm), we arrive at an injustice that is at least less interesting. (It would be a mistake to blame me for your poverty, if I've merely pocketed some of your quarters.) Observe, too, that the stress isn't really on justice per se as I wish to develop the problem. So far as I'm concerned, as long as (a) and (b) are met, and we are thus squarely in the domain of violating constraints, I'm content to speak of an *injustice* in these cases of international disparities. If that should turn out to be a conceptual mistake and we should instead speak of some other species of wrongdoing, I don't wish to rest anything on that fact.[9] It is important to emphasize, however, that talk of "constraints" *is* intended to contrast with other normative concepts that we're setting aside. The issue is not supposed to be one of acting *uncharitably*, or merely failing to maximize *utility*, or of inadequately expressing the virtue of *kindness*, and so on. The question I want to focus on is one of abdicating one's moral duties in the process of making others much worse-off. Although utilitarians and some others will not find this question interesting, it should be of broad interest to anyone sharing a concern for injustice couched in broadly Kantian or "deontic" terms. (It does not, however, depend on a libertarian perspective since it doesn't assume anything about the welfare state or that there are no duties to aid.)

Are, then, rich countries responsible for the poverty of the poor countries in some constraint-violating sense? It clearly is true that rich countries have and continue to commit injustices, as do most nation-states. (To the extent that Pogge, Miller, and others identify specific injustices—and no doubt here and there they do—we should join them in their condemnation.) But are these injustices the fundamental issue behind the vast disparities that make for the difference between living amid plenty and struggling to survive? This sort of view doesn't initially seem very plausible in light of the previous section. What seems to have happened, on superficial inspection anyway, is that after hundreds of thousands of years of universal poverty, a small number of countries managed to induce (or stumble on) economic growth, while others simply stayed where they were. Then, a little later, more and more countries managed to grow. Unsurprisingly, however, not everyone managed to grow at precisely the same time and at the same rate, and thus some were left behind in conditions that the rich, from their uncharacteristic and entirely novel perspective, found abysmal. But this state of affairs, it's important to emphasize, was practically inevitable. What, after all, were the odds that the millennia-old status quo would be overturned everywhere at precisely the same time and rate, given that the causes of growth were obscure and elusive? To put it another way, if the poor countries begin to grow within the next few centuries, that will still yield a degree of simultaneity of 200,000/500, or one part in four hundred. Call this appeal to differences in the onset of substantial economic growth *the Great Divergence explanation* of current disparities.

Critics of the rich countries typically ignore this account altogether; there is little or no attempt to make sense of graphs like those above. There is, to be fair, discussion of whether it makes sense to assess the justice of international institutions against various historical baselines, but there is no attempt to grapple with (or even mention of) the Great Divergence, the historical origins of inequality in asymmetric growth, or the simple point about simultaneity made just now.[10] Perhaps that is because these deep facts about the origin and nature of inequality are (surprisingly!) irrelevant to justice. We can pursue this by considering the two broad options open to the critics for identifying the relevant violations of moral constraints. They can claim that the problem lies either (1) in how the rich enriched themselves, or (2) in how the poor stayed poor (or both). The first kind of objection would apply if, for instance, the rich got rich by stealing from the poor. The second would apply on the theory that although the rich got rich by endogenous processes, they suppressed growth among the poor, say by violent subjugation or unfair trade practices. Let us take these suggestions in turn.

(1) Consider Figures 1 and 2 once again in conjunction with the first strategy, of locating violations in the way the rich got rich. A striking feature of the Great Divergence is that it strongly suggests that the current disparities are a part of a single, centuries-old process that is still unfolding. That process was underway many centuries ago—by 1600, the divergence is already pronounced in Figure 1, though perhaps not yet "great"—and by 1800, there is a radical inflection point that all but guaranteed vast disparities if then-current trends held.

The process leading to current global disparities thus has been marked by the following characteristics:

- commenced in the distant past
- is long-term with a smooth and rarely interrupted curve persisting for centuries
- is international and (eventually) cross-cultural
- is independent of any specific technology platform
- is independent of colonial or other foreign policies
- is robust against revolution and radical shifts in culture

Economic historians widely share this assessment, although they can't agree on what exactly the long-term process undergirding exponential growth has been. The usual suspects include political and economic institutions, science and technology, bourgeois social norms, the emergence of a culture of innovation, fertility changes, or some combination thereof.[11] And the problem now is that neither these candidates nor any others that spring to mind *both* plausibly explain how the rich got rich, *and* involve significant constraint violations, that is, satisfy both (a) and (b) above. Getting rich through the adoption of good institutions or bourgeois values or by pursuing technological innovation or undergoing the demographic transition isn't obviously wrong. Once we realize that the current disparities were generated over a long time, not by adventitious policy decisions but by some cross-generational, cross-cultural process that wasn't affected by initiating and then abandoning a multitude of domestic and foreign policies (including radical changes in regard to mercantilism, democratic governance, and colonialism, none of which had any significant long-term effect), but rather by something that must have been much more abstract and powerful, it's not easy to see how that process could be something morally wrong.

We can sharpen the point a bit by particularizing: whatever the high-level explanation of rich-country affluence, it must fit the United States, Britain, Germany, Switzerland, Canada, and Japan, 1800–2010. What is the right explanation of how these countries got rich, such that they massively violated moral constraints? Specifically, what moral depravity did the Canadians indulge in order to get rich, and if the answer is that they followed some innocuous process, why doesn't that explanation apply to the United States, the UK, and the rest of the group? It is hard to see what explanation could apply *only* to countries like Canada without turning out to explain growth in the others as well, and it's hard to see what the process explaining exponential growth for Canada (or Switzerland or Singapore or Australia) could be that would have been constraint-violating in the sense of (a) and (b) above.

Of course, even if the macro-level explanation of affluence is morally inert, it will inevitably be the case that there were particular injustices inflicted along the way, and no doubt some of these are significant and important to address. We can all agree there was little to be said for, say, the Philippine-American War; for all I've said here, perhaps the United States owes the Philippines or other nations compensation for specific injustices. But as long as they aren't connected to the historical process (whatever exactly it was) that shaped the economic trajectory of the rich countries across the last few centuries, such complaints will ultimately fail to satisfy the strong claims emanating from the critics of global capitalism cited above. It remains true that current disparities are fundamentally a function of the Great Divergence and the long-term processes that underlie it.

(2) Next, recall the other strategy for condemning current disparities, by locating constraint-violations not in the gains of the rich, but in suppressing the growth of the poor. Here it's worth reviewing the very form of the Great Divergence. The general pattern of growth can be characterized as a long initial period in which two groups (the future rich and poor) have close to nothing, followed by explosive growth by the one group, and perpetuation of the status quo for the other. Call this abstract pattern of growth *branching growth*, and contrast it with

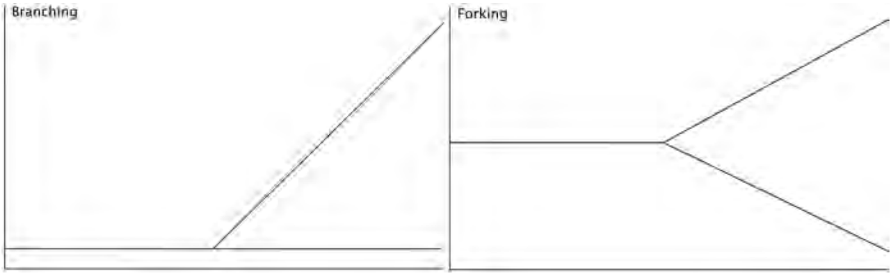

Figure 3. Branching vs. forking growth.

another pattern, whereby two groups are both initially already at a high level, but then the two groups diverge, with the one growing rapidly and the other not maintaining the status quo but sinking rapidly. An example of this pattern would be the share prices of two rival companies that initially are both successful, before the one company starts to gain market share at the other firm's expense, causing a Y-shaped divergence (e.g., AAPL vs. RIMM 2010–2012). Call this *forking growth* (see Fig. 3).

There is nothing logically impossible about branching and forking growth having similar causal explanations. Just as an instance of forking might be explained by the grower gaining at the decliner's expense or by an unrelated process of causing the other party's decline, so, too, an instance of branching might be explained in just the same way. The grower may, for instance, siphon away all of the gains the non-grower makes as soon as they are generated or otherwise suppress growth, thus creating a false impression of inertia on the non-grower's part. But although these kinds of explanations come quite naturally in cases of forking growth, they're much less natural in cases of branching. In fact, they make for some quite puzzling coincidences and lacunae. Suppose the view is that the grower grew at the non-grower's expense, by simple theft, say. It's then startling that the gains of the grower are so vastly out of proportion with the losses (if any) of the non-grower. After all, the grower is rising at a rapid clip, while the non-grower isn't declining much at all. To explain this would require some sort of further epicycle, perhaps a theory about offsetting gains to the non-grower masking the effect. Alternatively, one might concede that the grower grew endogenously, but say that the grower independently suppressed growth in the non-grower, say by destroying valuable output in aggressive warfare. But this story implies that the non-grower was poised for explosive growth at or near the point of branching (if not, a Great Divergence was beckoning), only to see all that growth somehow suppressed before it could manifest itself in the slightest, and without markedly depressing the non-grower from the status quo. That implies a remarkable coincidence in growth posture, unless there is some change afoot that could be expected to affect grower and non-grower alike.

Both of these suggestions involve the kind of elaborate explanations we try to avoid. Cases of branching growth are easiest to explain with a simple change/no-change model in which the grower experiences changes permitting departure from the status quo, while the non-grower continues as before since nothing has changed. And in the case of the Great Divergence, as we've noted, several candidates for such changes are widely discussed in the literature. And, on the other hand, it's crucial to observe that there is no evidence of the non-growers in the Great Divergence poised for growth. Nothing in the record suggests that India, Africa, or even China were on the verge of UK-style growth in the period 1600–1800. Just the opposite. A natural interpretation of the staggering inequalities is thus one that doesn't involve any violations of constraints: growth took a branching form and the poor remained in the status quo by economic-historical inertia while the rich grew because of a macro-level process or processes, the most promising theories of which aren't obviously constraint-violating. This suggestion is distinct from both the claim that poverty is due to current mismanagement or domestic malaise among the poor, as well as from the claim that the poor are poor because the rich are oppressing them.

4.

Next, we should entertain three important objections to these views, respectively related to the relevance of the Great Divergence, to colonialism, and to feasible alternatives. The first worry is simply that none of the foregoing shows that the rich countries aren't in the process of committing injustices at present, and wasn't that the main point of the critics cited earlier? Does anything really hang on the dusty history I've been emphasizing, especially when the critics tend to reject appeals to historical baselines of poverty? However, conceding the possibility of past and present injustices is compatible with my claim that the fundamental reason for the gross disparities we observe has nothing to do with such injustices, and this really is an important fact. It's one thing to assert that the loan policies of the International Monetary Fund (IMF) or the worldwide patent regime are unjust (neither of which is obvious, of course); it's another to claim that these have anything non-trivial to do with the disparities that we observe. It's morally important to note this distinction because the concept of *injustice* has a special normative significance, and so it matters whether we conceptualize the gross disparities we observe as tragedies (possibly calling for charitable aid) rather than injustices. There is also a practical question. If we become convinced that what needs to be fixed is fundamentally the oppressive policies of the rich countries, we will generate pressure to pursue a particular set of policies—those focused on *liberation from oppression*. If, by contrast, we focus on the factors that are plausible explanations of growth that fit the bullet list of features above and that fit Figure 3, then we will be more likely to think about *promoting endogenous* *growth*. Again, the two aren't mutually exclusive, but reading the critics I have cited, one hears almost nothing about the latter as a practical solution.

This response may not seem persuasive. Even if I am right about the historical process leading to the present disparities, it is possible that current policies are preventing a rapid convergence of the sort that is only slowly and very selectively occurring in places like China. But few academic economists take such a position seriously. As Paul Collier, the eminent development economist, puts it, "[c]itizens of the rich world are not to blame for most of the problems of the bottom billion; poverty is simply the default option when economies malfunction."[12] More specifically, Harvard economist Dani Rodrik writes:

> Barriers to trade on manufactured goods and in many services are at a historic low in rich countries. . . . It would be hard to identify any poor country whose development prospects are seriously blocked by restrictions on market access abroad. Any country with a sensible development strategy has the opportunity to grow its economy, with assistance from trade.

Or again:

> Most sensible estimates suggest that complete trade liberalization . . . would produce a net gain to the developing world of one percentage point of their income or less—a meager impact that the World Bank and the WTO do their best to hide behind more impressive-sounding claims.[13]

Even if Rodrik is wrong by a factor of two, or five, or ten, there isn't any serious evidence that the deep problem is current policy, not the centuries-old factors underlying the Great Divergence.

Moreover, the beneficiaries of alleged improvements in policy would likely be middle-income countries, not desperately poor countries.[14] This is because the former enjoy vast advantages in infrastructure, economies of agglomeration, labor-force quality, and so on, that tend to swamp differences in labor costs. Poor farmers in Malawi or garment manufacturers in rural India simply aren't well positioned to reap the benefits compared to Mexico and Malaysia. To overcome this problem would require a sophisticated and probably unfair strategy of blocking middle-income countries from soaking up the new opportunities, perhaps through highly targeted tariffs. It's unlikely the middle-income countries would tolerate this, but in any case, it would be very odd to claim that it's *constraint*-violating of Europe, say, to fail to punish Mexico with enormous import tariffs so as to offer a window of opportunity for businesses from Bangladesh. It's hardly *unfair* of a government awarding contracts that it doesn't use a system of blocking more competitive bids from well-off contractors in order to benefit the poorer ones whose bids are mediocre. Maybe it should do so, but the moral grounds would probably be best described as utilitarian.

However, setting all this aside, and supposing that the relevant policies did make a significant difference for the worse, it would remain to show that they were foreseeably wrong, as opposed to being unpredictable mistakes. This is far from obvious in many cases, even conceding all that we've stipulated to. Notice, first, that there's a broad trend among rich countries toward realizing the non-zero-sum nature of trade, albeit with lurches in the other direction that reflect perception of national interest.[15] The trend is evident in famous cases like US policy following World War II, in which significant efforts were made to promote the development of powerhouse economies in Europe and Japan, both of which the United States/UK were in a position to completely dominate. (It would have been perfectly easy to prevent any significant growth or industrialization at all in Japan had the United States so desired.) Remarkably, policies like the Marshall Plan and corresponding initiatives under MacArthur in Japan attempted to build up countries that had been despised enemies just a few years before. This resulted in the losers of World War II seeing far greater economic growth than the winners, a process the United States and the UK watched unfold and did nothing to prevent.[16] This isn't to ignore local exceptions (Smoot-Hawley, for instance, in an earlier epoch, or particular cases of special-interest capture leading to indefensible subvention policies in the United States or the EU). But there's a clear pattern of recognizing the non-zero-sum nature of the interaction, and thus no reason to think the rich countries wouldn't *want* to see the poor exit their desperate state. Even if only for the kind of self-interested reasons that led the allies to aid their hated enemies just a few years after a war-to-the-death, there's every reason to believe it in the rich countries' interest (and perceived interest) to build up trade partners that would be in a position to buy American goods and services. This, after all, was Adam Smith's anti-mercantilist council from the very beginning of the capitalist epoch. Western developed countries got rich together, then got richer together with Japan in the postwar period, and are in the process of getting richer still, together with a broader swath of Asia. There simply isn't any motivation generally to resist growth among the poor, always allowing for local exceptions and special-interest capture. Allowing rich-country policies to be dominated by greed and ambition, why wouldn't greed and ambition generally favor richer neighbors who can pay more for rich-country products? This, again, suggests that even conceding policies such as those of the IMF to be mistaken, it is far from clear that they are or were intentionally so.

5.

The second objection relates to colonialism. I stated earlier that the *macro*-level evidence suggests growth occurred independent of violating moral constraints. But this may seem puzzling in light of colonialism and other *micro*-level episodes of violence. It may sound awfully convenient for the rich countries to absolve themselves of that violent history now that it has (hopefully) begun to draw to a close, and announce that that history had nothing to do with the respective positions of the poor and the rich. It may look a little like a robber declaring "we're even!" after leaving his victim penniless and crippled.

I can't address this large topic in detail, but it is worth making a couple of rudimentary points in addition to the central ones made above, that is, that the structural features of rich-country growth outlined earlier don't fit a constraint-violating picture, and that the very form of the Divergence charted in Figure 3 is inconsistent with a rich-keeping-the-poor-down theory. We can sketch out the main evidence in four parts.

First, as a simple matter of expert opinion, economic historians generally reject the idea that colonialism was the key to getting rich or suppressing growth among the poor. The wealth generated by the colonies was never more than a fraction of that generated by internal trade. Moreover, huge windfalls of the sort reaped by the iniquitous conquistadors often turn out to be curses in disguise. The problems with such windfalls—often referred to as "the Resource Curse"—are various, and can include financial complications due to currency appreciation and concomitant collapse of export competitiveness ("Dutch disease"), as well as more straightforward problems with corruption and skewed incentive effects, as countries are temporarily insulated from pressure to be productive. Spain, the parade example of colonial aggression, displays this problem effectively, since it made enormous lump sum gains from bullion stolen from the Americas. Despite these gains, David Landes's assessment runs, "[i]ts new wealth came in raw, as money to invest or spend. Spain chose to spend—on luxury and war. . . . Spain spent all the more freely because its wealth was unexpected and unearned. *It is always easier to throw away windfall wealth*." He continues: "Spain, in other words, became (or stayed) poor because it had too much money." And he concludes: "[T]hat Europe needed these acquisitions for capitalism's sake, is simply nonsense. Some businessmen made money in these strange and distant places; many more did not. But European economies as economies gained little if anything."[17]

Second, as alluded to earlier, very many rich countries became rich without engaging in imperial designs, and violent conquests conversely failed to enrich many peoples; there is no obvious pattern here. The first group includes countries like Canada, Switzerland, Sweden, Korea, Taiwan, and Iceland. And the list could be extended still further by countries that did engage in imperial conquest, but did so in a manifestly fitful, inept, and impecunious manner, such as Germany, Japan, and Italy—no one thinks Germany got rich by invading Namibia. Clearly, across wildly varying times and social conditions, it's quite possible to get rich without colonial aggression, making it less compelling to attribute the growth of the rich colonizers to their colonizing activities. It would be an odd coincidence indeed if Canada, Britain, and Switzerland all grew rich in parallel, but that the engines of growth systematically diverged such that Britain wouldn't have grown rich but for its colonies, when this proved completely unnecessary for the other two. The second group includes imperialists like Spain and the Ottoman Empire, which grew poor despite a history of widespread, unjust aggression against its neighbors.

Third, the key test of onsets and off-ramps of colonizing activity doesn't seem to show any significant impact: growth to the colonizers when the colonizing spigot is shut off rarely shows any significant disruption. Looking back to Figure 2, Britain went from strength to strength throughout the ups and downs of its world-leading colonial activities; the parallel graph for the Dutch would show the same thing; and to the extent that the United States has been described as a colonial power or empire and certainly in respect to slavery, US growth shows no significant impact arising from fluctuations in those domains. Over the long run, these grave injustices were simply trivial, relative to the real drivers of growth. (Critics should, in a way, welcome this point; it makes it all the more egregious that those practices were maintained.)

Fourth, and lastly, on the thought that this all sounds awfully convenient, it's worth remembering that the brightest minds were urgently calling for abandoning colonial policies even at the time. And it was generally the inventors of capitalism issuing these calls. Adam Smith not only derided mercantilism, but insisted that colonial holdings and the associated trade monopolies were both unjust *and* net money-losers. His advice from a strict prudential perspective was simply to give up on the colonies and to enjoy the far greater gains that were to be made by engaging in trade, while shrewdly acknowledging how unlikely it was that his advice would be followed in the near-term:

> No nation ever voluntarily gave up the dominion of any province, how troublesome soever it might be to govern it, and how small soever the revenue which it afforded might be in proportion to the expense which it occasioned. Such sacrifices, though they might frequently be agreeable to the interest, are always mortifying to the pride of every nation, and what is perhaps of still greater consequence, they are always contrary to the private interest of the governing part of it.[18]

There is no more reason to suppose that the colonial governments pursued their own interests with expansionist policies than in the mercantilist trade wars of which they were equally fond for a while.

6.

Finally, there is a third objection. Pogge and other critics of the global economic system emphasize the availability of alternatives systems, and view the mere existence of such alternatives as indicative of a prima facie injustice. It would be "panglossian," they say, to claim this is the best possible system, and point out that it's all too easy to envision a patent or property regime that would be more favorable to the poor. If this were true, then even if my argument so far were right, it could still be claimed that the existence of feasible alternatives remains a stinging indictment of the rich countries. As Thomas Nagel puts the point: "If there are possible alternative arrangements that would reduce the inequality without drastically harming productivity, then such a system is illegitimate."[19] But remember that to make the case for rich countries bearing responsibility for the state of the poor, as I have interpreted the issue, we need to establish that constraints are being violated—it's not enough to say that we are failing to maximize utility or that the virtue of charity is being inadequately expressed. Thus, the claim would have to be that the existence of feasible alternatives that would substantially improve the welfare of the poor (and whose existence is or ought to be apprehended) in itself violates some moral constraint.

This view certainly isn't obvious from within our everyday moral reasoning. Suppose that through no fault of your own, you acquire no marketable skills and adopt a set of attitudes that make it very hard for you to thrive in your community. Think of this as coming about as a result of poor parenting inspired by a religious cult that emphasizes avoiding education and depending on prayer rather than employment. You are now eighteen and very poor—some days there isn't enough to eat. There is a feasible alternative, according to which I come to your home each day and give you lots of money, and this alternative would be a great improvement for you, and it might cost me relatively little. Nevertheless, I submit that commonsense morality doesn't hold that I am *violating a moral constraint* in failing to appear at your house to give you cash, despite your need, and despite your innocence. Perhaps that would be nice of me, though even that seems dubious. (Giving you cash is probably a poor idea under the circumstances.) More plausibly, I should attempt to persuade future parents to subscribe to better parenting philosophies. That isn't to say one couldn't produce some philosophical argument for applying the feasible alternative claim in this vignette, perhaps on the basis of utilitarian considerations, but it isn't a premise one should feel entitled to help oneself to in the absence of some fairly elaborate argument.

If pressed, critics of global capitalism often make something like the following case for the feasible alternatives thesis:

> When it comes to how countries interact with one another—the system of trade, of tariffs, of international patents, of loans, and so on—nothing is given. It's up to us to think up a system for interacting with one another as nations that is fair and reasonable. That system might take the form of F1, F2 . . . Fn. Some of these would be roughly equally good and bad for everyone concerned, but others would be hugely favorable to the rich. No one has a prior claim on a particular F. (What would it be rooted in? Platonic Ideas?) And yet, what has happened is that the rich countries have insisted on a particular F that is great for them and terrible for the poor countries. And the poor have had to go along with it, for the rich had enormous advantages in their bargaining position. Insisting on—in effect *imposing*—a particular arrangement that has

> disastrous effects on the poor that they have no choice but to accept violates a constraint by being exploitative and coercive. There's an obligation to implement feasible alternatives because failing to do so arbitrarily favors the interests of the rich in a way for which there is no adequate justification, and is only possible because of exploitative, coercive actions on the part of the rich and powerful.[20]

Everyone should feel the intuitive force of this objection. Since the last part, concerning exploitation and coercion, introduces separate issues that are strictly independent of the mere existence of feasible alternatives, let us focus on the core idea that failing to implement feasible alternatives involves an arbitrary favoring of the interests of the rich.

It would certainly be panglossian to deny that there *is* an alternative that would make the poor much better-off. But this is completely trivial. It follows from the possibility of an alternative system that would, say, require the rich to give the poor lots of money, or (equivalently) a medical patent system that would require rich countries to transfer their intellectual breakthroughs to anyone poor and in a position to benefit. The serious question is whether in "arbitrarily favoring" their own interests, the developed countries violate a moral constraint, and I don't see any reason to think so. For what constraint could it violate? There is no general constraint against favoring one's interests, "arbitrarily" or otherwise; as far as I can tell, this is just a rhetorical flourish. Turning into the open parking space on a busy street favors my interests and disfavors yours even if I got there first and you're still down the block, and doing so may be as arbitrary as can be insofar as no deep moral rationale supports this outcome, yet parking in Manhattan doesn't violate a constraint. And although many other moral facts start to shift as we adjust upward the costs to you in losing the spot, I don't think rising costs can produce a constraint out of thin air. (A constraint against what, exactly?) At most, those rising costs indicate that my failing to put your interests ahead of mine is *mean* or perhaps even *cruel*, but these are quite different from committing an injustice.

This still may not get to the bottom of things. The important issue may not be arbitrarily favoring one's interests per se. It may rather be exploiting a dominant position to force a deleterious system of rules on the others. (Compare, say, drawing up rules to a novel card game being played for money, and threatening to harm the other players if they don't agree to rules that help you win.) Here, I believe, there is common ground. If it were true that rich countries exploited their power to intentionally compel poor countries to accept an international order that was bad for them, that would be objectionable. But, of course, that is quite different from the claim that the mere existence of feasible alternatives implies the violation of a moral constraint; it is this that I have been denying. Whether the rich have actually forced the poor to accept deleterious systems of rules is a question I won't address here, except to note that answering it would require an enormously complex argument. To give an idea of the complexities, notice that it would not be sufficient to show that, say, IMF conditional loan policies were bad for the countries involved, or that the conditions imposed were onerous. That would leave open whether the proffered loans were *offers* rather than *threats*. There is nothing wrong with offers, which can be turned down, even when what is offered would be terrible for the recipient. (I am permitted to *offer* to take your car off your hands for a song; I just can't *threaten* to kill you if you don't give me the keys.) Sorting this out would then require investigation of the circumstances of the supposed offer, the alternatives open to the recipients, who was responsible for the baseline position of the recipients ex ante, and so on. It strikes me that very little has been attempted much less demonstrated in this arena at the relevant level of complexity and with due attention to distinguishing threats from offers.

7.

In criticizing the appeal to feasible alternatives, and indeed throughout the paper, I may seem to have overlooked the many positive theories of distributive justice entailing that massive inequality is unjust. On something like John Rawls's conception of justice-as-fairness, or on theories that say people have human rights that determine what kinds of social institutions are permissible, we are usually required to improve the plight of the worse-off when there is such an alternative open to us. (We can set aside Rawls's own skepticism about global justice, and focus on more cosmopolitan variations.) This in turn raises the worry that the ideas defended here rest on strong assumptions about ruling out such views in favor of some minimalist conception of justice like libertarianism, contrary to earlier assurances.

Part of this is true. Obviously I haven't and couldn't hope to refute every theory of justice that entails the rich are in the wrong. It would be a mistake, though, to insist on a burden of proof system whereby one side or the other must flatten all comers in the opposite corner, as in a high school debate. These antics can easily be reversed so that critics of gross inequalities don't get a hearing until they have first refuted Robert Nozick's *Anarchy, State, and Utopia*. Asking that defenders of the Great Divergence account first rule out a global original position would be like asking critics of the rich countries first to show that Nozick hasn't proven the minimal state to represent a utopia. Saying that a failure to refute Rawls or certain theories of human rights means subtly smuggling in libertarian assumptions is symmetric to dismissing *critics* of the rich countries for subtly smuggling in assumptions of liberal egalitarianism in failing first to prove that the minimal state isn't a utopia. Both of these demands would represent a return to the realm of debating antics. Arguments in either direction should be addressed simply on their intrinsic merits.

The appropriate methodology, here as everywhere, is to aspire to interesting inferences from relatively uncontroversial, boring premises; our assessment should depend on how plausibly boring the premises are and how interesting the inferences. My boring premises have been, roughly, that there was a Great Divergence, that blaming the rich for impoverishing the poor through an injustice means that they materially violated a moral constraint, and that the Great Divergence accounts for the lion's share of gross international inequality. My central inference has been that global inequality is largely a function of something that was not constraint-violating and hence not an injustice. Of course, it is perfectly reasonable to resist these claims, for example, by insisting that the rich got rich through colonialism, my protests notwithstanding. Progress in the debate is made by discussing just such claims and counter-claims. And at some point, if we are ambitious, we might seek to tally up and reconcile or arbitrate among the various competing sets of premises and inferences on the table. But there isn't much value merely in trying to shift a supposed burden of proof.

No one should deny the genuine tragedy of massive worldwide poverty. But what I have argued here is that the evidence suggests the economic disparities we see do not represent the *injustices* they may superficially appear, since they are rooted in a centuries-old process of endogenous growth that wasn't itself based on violating moral constraints. Vast disparities were inevitable once we reflect on the low probability of simultaneous onset of international exponential growth.

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NOTES

1. See Klein, *No Logo*; Klein, *Shock Therapy*; Miller, *Globalizing Justice*; Pogge, *World Poverty*; Pogge, "Severe Poverty"; and Pogge, *Politics as Usual*. For further proponents of (and dissenters to) Pogge's view, see Jaggar, *Thomas Pogge and His Critics*. For criticisms of this strain of thought, with which I am in broad sympathy, see Risse, "How Does the Global Order Harm?"; and Cohen, "Philosophy, Social Science." For an overview setting the stage for many of the relevant disputes, see Beitz, *Political Theory*; and Rawls, *Law of Peoples*, esp. 115–20.

2. Miller, *Globalizing Justice*, 181; Pogge, "Severe Poverty," 30.

3. Miller, *Globalizing Justice*, 154, 78.

4. Pogge *World Poverty*, 183–84; Pogge, "Severe Poverty," 30.

5. Data from Maddison, *Contours*, 382 (statistical appendix A). Maddison is a leader in the field, but in any case, other attempts at assembling this data look very similar. See, for example, Gregory Clark's world economic history chart 1000 BC–AD 2000 in *Farewell to Alms*, 2; or Ian Morris's development index 14,000 BC–AD 2000 in *Why the West Rules*, 166. I can't address here the obvious qualms one might have about the reliability of the data, except to note that (a) I will be focusing on high-level macro features about which there's widespread agreement in the literature, (b) there are scattered but detailed records for wages or wage-equivalents in wheat, rice, beer, etc. dating back to ancient

Egyptian laborers, and (c) there is archaeological data about standards of living for times/places that lack wage-records that can, in a rough way, be compared to income. Note that disaggregating richer and poorer parts of Africa makes no substantial difference on this scale.

6. Clark, *Farewell to Alms*, 94–95.

7. Landes, *Wealth and Poverty*, XX.

8. Maddison, *Contours*, 382.

9. I worry about cases like David Hume, who announces in his 1751 second *Enquiry* (sec. III, pt. I) that there is no "restraint of justice" between men and women, or "civilized Europeans" and "barbarous Indians." He goes on to announce (condescendingly, we would say) that there are other moral norms in play—women and natives are still charity cases—but this still produces a disturbing impression of moral evasion. Rawls and other contractualists emphasizing the "circumstances of justice" sometimes make the same queasy impression.

10. See Pogge, *Politics as Usual*, esp. 39–40. Notice that my claim so far is not that international institutions are just because of some historical baseline of poverty. It is rather that global inequality is most naturally explained by the Great Divergence, including ongoing manifestations like the "Asian tigers," who are converging on the affluent countries but diverging from the poor.

11. For discussion, see Maddison, *Contours*; Clark, *Farewell to Alms*; McCloskey, *Bourgeois Dignity*; and Acemoglu and Robinson, *Why Nations Fail*.

12. Collier, *Bottom Billion*, 157. Note that Collier does suggest changes to various rich-country policies (including advocating selective military intervention). But he clearly rejects theses (a) and (b), despite a profound desire to see improvement for the poor.

13. Rodrik, *One Economics*, 222.

14. See Collier, *Bottom Billion*, chap. 6.

15. A point developed in Reitberger, "Poverty, Negative Duties."

16. For more, see Bernstein, *Birth of Plenty*.

17. Landes, *Wealth and Poverty*, 171, 173, 429; emphasis in the original. He quotes a contemporary Spanish source that is eerily prescient and unconsciously damning: "Let London manufacture those fabrics of hers . . . Holland her chambrays; Florence her cloth. . . . [A]ll nations train journeymen for Madrid . . . all the world serves her and she serves nobody" (172). It is worth comparing McCloskey's discussion in *Bourgeois Dignity*, chap. 21 ("by 1800 Spain was among the poorest countries in Europe," 181), and Morris's account of where New World bullion wound up, tracing it from the Conquistadors, to the Hapsburg rulers, to Italian merchants financing European wars, and ultimately to China, which mainly wanted silver in its trade with the European states (*Why the West Rules*, 460–61).

18. *Wealth of Nations*, 4.7.3. Publishing in 1776, Smith anticipates Dutch disease in 4.5, and concludes the entire book by once again pleading with his countrymen to do away with the money-losing colonial project, which he calls the great "golden dream."

19. See Pogge, *World Poverty*, 209; and Nagel, "Poverty and Food."

20. This is a fusion of various strands to be found in figures like Pogge and Nagel; it has its roots in Rawls. It is often hard to tell, however, to what extent these are meant to be separate objections rather than support for the feasible alternatives claim.

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